

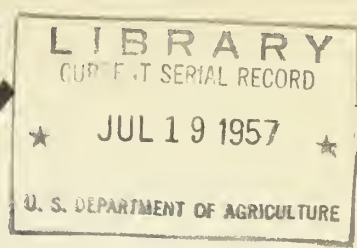
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# Foreign



# CROPS AND MARKETS

FOR RELEASE MONDAY, JULY 15, 1957

VOLUME 75

NUMBER 2

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FOREIGN CROPS AND MARKETS

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YUGOSLAV TOBACCO EXPORTS  
RECORD HIGH

Yugoslav exports of unmanufactured tobacco in 1956 established a new record high at 44.2 million pounds. Total shipments in 1956 were 37 per cent greater than the 1955 level of 32.3 million pounds and almost 3 times larger than those in 1954. Most of the increase went to Communist China, the Soviet Union, Poland, Egypt, Hungary, Italy, and West Germany. Exports to the United States, France, Belgium, Finland, and the Netherlands were below 1955 levels.

TOBACCO, UNMANUFACTURED: Yugoslavia, exports by country  
of destination, 1954-56

Country of destination	1954	1955	1956
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States.....	3,158	6,373	3,369
West Germany.....	2,633	1,980	3,231
Italy.....	3,307	2,535	2,866
Algeria.....	176	220	937
France.....	3,289	9,546	8,179
Communist China.....	---	---	7,421
Soviet Union.....	738	4,895	9,233
Czechoslovakia.....	165	2,177	929
Poland.....	---	2,315	2,944
East Germany.....	---	860	343
Hungary.....	---	---	2,937
Others.....	1,973	1,385	1,793
Total.....	15,439	32,286	44,182

Source: Statistics of Foreign Trade of Yugoslavia--Year 1956.

Total shipments to the Soviet bloc, including Communist China, amounted to 23.8 million pounds in 1956, compared with 10.2 million in 1955 and less than one million pounds in 1954. Average export prices paid for Yugoslav leaf in 1956 by bloc countries in terms of U. S. cents per pound were: Communist China--32.6, Hungary--37.4, Soviet Union--56.6, Czechoslovakia--66.8, Poland--64.7, and East Germany--76.1. Average prices paid by France, West Germany, and the United States were 40.8, 50.4, and 72.0 U. S. cents per pound, respectively.

AUSTRALIAN 1956-57 TOBACCO CROP  
FIGURES REVISED DOWNWARD

The estimate of the Australian 1956-57 tobacco harvest has been revised downward to 10.2 million pounds from an earlier estimate of 11.5 million, according to the June 1957 Tobacco Bulletin (Supplement to "Tobacco Intelligence") published in London. The current tobacco crop is 3.7 million pounds larger than the 1955-56 harvest of 6.5 million and well above that of any previous postwar season. The increase is not only due to a larger acreage than that in 1955-56 but also to a rise in average yield from the exceptionally low figure of 578 pounds per acre in 1955-56 to 804 pounds this season. Yields in Queensland, the principal producing area, are reportedly low, and it is estimated about 2 million pounds of leaf in the northern part of this State were lost because of blue mold and unfavorable weather.

FRENCH CAMEROONS' LEAF TOBACCO EXPORTS DECLINE

Leaf tobacco exports from the Cameroons in 1956, totaling 1.8 million pounds, were 26 percent below the 1955 level of 2.4 million pounds. The average export price in 1956 was equivalent to 37.1 U. S. cents per pound, compared with 38.0 U. S. cents in 1955.

CUBA'S EXPORTS OF LEAF TOBACCO DOWN

Leaf tobacco exports from Cuba during the first 3 months of 1957 totaled 9.6 million pounds, which is 6.0 million below the January-March 1956 level. The average export price per pound rose from 58.7 U. S. cents in January-March 1956 to 74.5 cents during the first quarter of 1957.

HONG KONG'S TOBACCO IMPORTS  
UP, EXPORTS DOWN

Hong Kong's imports of unmanufactured tobacco during 1956 totaled 8.0 million pounds--up 18 percent from the 6.8 million imported in 1955. The increase occurred in larger takings from the United States, Thailand, the Philippine Republic and the Federation of Rhodesia and Nyasaland. Imports from the United States amounted to 4.1 million pounds, compared with 3.9 million in 1955, and represented 52.5 percent of total imports. Takings from India and Communist China were 31 and 83 percent, respectively, below 1955 imports.

Hong Kong's reexports of unmanufactured tobacco in 1956 amounted to 1.3 million pounds, compared with 1.9 million in 1955. Increased shipments to Macao and Malaya were not sufficient to offset substantial declines to the Netherlands, the United Kingdom, West Germany and Egypt.



## SWEDEN'S TOBACCO IMPORTS UP

Sweden's imports of leaf tobacco during the first quarter of 1957 totaled 5.6 million pounds, in contrast to 3.7 million in January-March 1956. The average price of imports per pound was equivalent to 75.8 U. S. cents, compared with 69.3 cents during January-March 1956.

MALAYA IMPORTS LESS  
LEAF TOBACCO

Imports of unmanufactured tobacco by Malaya (Colony of Singapore and Federation of Malaya) in 1956, totaling 1.6 million pounds, were 27 per cent below the 1955 postwar high of 2.2 million pounds. The decline was due to reduced takings from all major suppliers. Imports from the United States, Southern Rhodesia, and India were 39, 27 and 4 percent, respectively, below 1955 levels. Takings from Communist China, however, are increasing and amounted to about 40,000 pounds in 1956, in contrast to only 4,400 pounds in 1955.

TOBACCO, UNMANUFACTURED: Malaya, imports by country of origin, 1954-56			
Country of origin	1954	1955	1956
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	183	797	486
Southern Rhodesia.....	582	983	714
Union of South Africa.....	36	67	48
India.....	234	309	296
Burma.....	28	26	25
Other.....	34	20	59
Total.....	1,097	2,202	1,628

Source: Malayan Statistics, December 1956.

IRELAND INCREASES EXPORTS  
OF WOOL FABRICS

Shipments of wool fabrics from the Irish Republic last year totaled almost 1.6 million square yards, nearly twice the amount shipped in 1954 and 25 percent more than in 1955. Sales to all principal markets were up, with the most substantial gains going to Canada, the United States, and the United Kingdom.

Wool fabrics rank third among products exported to the United States by the Irish Republic, and last year this trade was valued at about  $1\frac{1}{4}$  million dollars.

## URUGUAYAN EXPORTS OF RAW WOOL DECLINE

Exports of raw wool from Uruguay in the first 7 months of the current selling season (October 1956-April 1957) totaled 78.9 million pounds, approximately 36 percent less than the 123.2 million pounds shipped during the same period last year. Shipments to most of Uruguay's leading markets were reduced, the heaviest decline being in exports to the United States, France, Switzerland, and the Netherlands.

The exceptionally high "aforo" value set by the Uruguayan Government was mainly responsible for the decline in trade.

## IRELAND COMBATS HOG CHOLERA

Hog cholera, which appeared in Ireland last year for the first time since 1938, has spread to 8 counties, and attempts to eradicate it have been unsuccessful. In view of the serious situation, the Department of Agriculture has prohibited the movement of pigs off farms except for slaughter, in which case a government permit must be obtained. All infected animals are being slaughtered and their owners compensated by the State. So far, about \$280,000 has been paid to farmers for condemned pigs.

## LIBYA PROHIBITS EXPORTS OF LIVESTOCK

The Libyan province of Cyrenaica has prohibited further exports of livestock. The loss of stock last year from the severe drought so reduced herds that the government believes further exports would endanger the country's economy. Egypt is Libya's most important export market for livestock, the great majority of which is exported on the hoof.

## WEST GERMANY AUTHORIZES BEEF IMPORTS FROM ARGENTINA

West Germany has authorized the importation of 22 million pounds of frozen beef from Argentina. The announcement made on June 21 indicates that recent high levels of exports to West Germany can be expected to continue.

Starting with 6.7 million pounds in 1955, Argentine exports of frozen beef to West Germany rose to an estimated 138.2 million pounds in 1956, and West Germany replaced the United Kingdom as the major importer of Argentine frozen beef. The United Kingdom has been importing chilled beef in preference to frozen beef since 1954, when government control of imports ended.



## FOOT-AND-MOUTH DISEASE IN IRAN

There has been a serious outbreak of foot-and-mouth disease in Azerbaijan (northwest Iran). Reports indicate that the infected livestock belong to nomadic Kurdish tribes, which often move between Iran and Iraq, and that the disease is spreading rapidly. In spite of the high incidence of the disease, the death rate is reportedly low.

URUGUAY'S CROPS BELOW  
LAST YEAR'S LEVEL

Due to adverse weather, summer crops of Uruguay fell well below those of a year earlier, with the possible exception of potatoes, where production appears to be somewhat higher. Crops of the southern area were revived by February rains which brought about better yields than were expected after an extended dry period. In the northern section of the country, however, it did not rain until mid-May, with the result that crops were almost a total loss in that area.

To supplement the low corn yield, imports have been made from Argentina. Potatoes have also been imported from Argentina, as well as Europe, and further imports will be necessary to maintain adequate supplies of table stock. Some consideration has been given to importation of sunflower seed to supplement domestic production and to furnish work for mills, but interest in these imports seems to have slackened at present.

Although rice production is down considerably from last year, it appears some 20 to 30 thousand tons of rough rice may be available for export, depending on final production figures.

## JAMAICA MAY INCREASE IMPORTS

Jamaica's imports are expected to rise with the strengthening of its economy.

In 1956, about 20 percent of total United States exports to Jamaica valued at \$34.3 million were for such agricultural items as wheat flour, poultry feeds, meat and meat products, and dairy products.

Increased earnings from bauxite exports should provide purchasing power for more imports in the years ahead. The Government of Jamaica and 3 bauxite companies--2 American and one Canadian--have concluded negotiations designed to double bauxite output in 1958 over 1957 with continued increased production through 1961. Additional dollar exchange also is expected to accrue from a growing tourist business, and from remittances by Jamaican farm workers in the United States.

# ARGENTINE RICE CROP BETTER THAN EXPECTED

Despite the smallest planted rice acreage in 5 years, Argentina's rough rice crop is forecast at 168,500 metric tons (371.5 million pounds) of rough rice, according to the second official estimate. This is a substantial increase over the first estimate of 154,000 metric tons (340 million pounds), and is 2.6 percent larger than production in the preceding year. Weather turned favorable for rice production in the last part of the growing season.

RICE: Argentine acreage, production, and exports,  
averages 1935-36/54-55, annual 1953-54/56-57

Year	Acreage harvested	Yield per acre	Production		Exports (milled) 2/
			Rough	Milled equivalent 1/	
	1,000 acres	Pounds	Million pounds	Million pounds	Million pounds
Average:					
1935-36/39-40:	52	2,692	140.0	91	3/
1940-41/44-45:	88	2,891	254.4	165	4/
1945-46/49-50:	102	2,674	272.7	177	3
1950-51/54-55:	140	2,815	394.1	256	27
1953-54.....:	155	3,019	468.0	304	60
1954-55.....:	136	2,793	379.9	247	42
1955-56.....:	134	2,701	362.0	235	93
1956-57.....:	126	2,948	371.5	241	5/ 90
1/ Converted at 65 percent. 2/ Exports during the calendar year in which crop is harvested. 3/ Net imports were 52 million pounds. 4/ Net imports were 3 million pounds. 5/ Exportable supplies.					

Compiled from official sources.

Exportable supplies of rice from Argentina in 1957 approximate the 42,167 metric tons shipped abroad in 1956. The principal countries of destination for 1956 exports and quantities exported (in metric tons) were: Belgium, 12,172; United Kingdom, 7,717; Canada, 7,505; West Germany, 5,924; and South Africa, 3,451. Other countries received 5,398 tons. Rice exports during the January-March quarter of 1957 were 7,744 metric tons, principally to West Germany (1,921 tons); Belgium, (1,589); United Kingdom, (1,581); and Canada (1,227).

DANISH BREADGRAIN IMPORTS  
SUBJECT TO IMPORT LICENSES

Effective June 22, 1957, and until further notice, Danish importers of breadgrains are required to obtain import licenses from the government before concluding purchase contracts for foreign wheat and rye. A regulation to this effect has been circulated to importers, millers, and grain trade agents.

The action is directed, in part, toward meeting demands of certain sectors of Danish agriculture for a special marketing arrangement for domestic breadgrains. The proposed system, currently under discussion by Danish officials and agricultural groups, would place quantitative restrictions on breadgrain imports and guarantee minimum producer prices for wheat and rye. Its main objective is to relieve alleged economic difficulties of the Danish farmer.

Indications are that import licenses will be freely issued and that breadgrain imports will not be materially effected. However, should the government yield to farm pressure and place quantitative limitations on imports, breadgrain imports from the United States could be adversely affected. United States exports to Denmark during the first 10 months (July-April) of the 1956-57 marketing season amounted to 3,456,000 bushels of wheat, 34,500 bushels (grain equivalent) of flour, and 1,654,000 bushels of rye.

ECUADOR PLANS COLONIZATION PROJECT

Ecuador has announced a colonization project for the Santo Domingo de los Colorados region, an agricultural area which should develop rapidly when better transportation facilities become available. A highway program is to be financed largely through a loan from the International Bank for Reconstruction and Development (IBRD). The colonization project in general is to be financed principally from a \$2 million loan from the United States authorized at the end of April.

COMMUNIST CHINA EXPECTS INCREASE  
IN RAPESEED PRODUCTION

China's 1957 rapeseed harvest has been tentatively estimated at 1.1 million short tons. According to Communist reports, this volume of production would be 165,000 tons larger than last year's crop. This implies a sharp reduction in the 1956 crop estimate, which was given as 1,085,000 short tons as recently as March. The wet weather this spring evidently wiped out the gains from increased acreage, and production remains not much above the level of the last few years.

INDIA CONTINUES FREE LICENSING OF CASTOR  
AND LINSEED OIL EXPORTS; ABOLISHES  
COTTONSEED CAKE EXPORT TAX

The Government of India recently announced that exports of castor oil and linseed oil will continue to be licensed freely, without any quantitative restrictions, to all permissible destinations until December 31, 1957.

Effective June 12, the export duty on cottonseed cake, both decorticated and undecorticated, was abolished. The rate of duty, in force since May 1, 1955, had been Rs. 30 per long ton (\$5.62 per short ton).

The government also announced a new quota of 10,000 tons of undecorticated cottonseed cake for export by all shippers, without restricting the maximum shipped by individual exporters, for the period July to December 1957. Exports of decorticated cottonseed cake will continue to be licensed freely. Also, India is to allow the export of 10,000 tons of niger seed cake for shipment to the end of the year, or until the quota is cleared, and a small quota of 2,500 tons of miscellaneous cakes for the same period.

EL SALVADOR ENCOURAGES  
TRANSSHIPMENT OF HONDURAN COFFEE

Coffee grown in Honduras may be exported through Salvadoran ports without payment of the Salvadoran export tax, according to Legislative Decree No. 2409 published in the Diario Oficial of June 17, 1957. The decree also exempts Honduran coffee from custom duties, consular, visa, and any other charges, provided importation is made through specified points of entry on the border and is accompanied by a certificate of origin issued by a Honduran municipal official. The decree became effective on June 25.

Much of the Honduran coffee is grown near the border of El Salvador, and owing to the lack of good roads in Honduras it is much more easily shipped out through Salvadoran ports. The waiver of the Salvadoran export tax (which at prices above .45 a lb. amounts to U.S. \$0.0675 a lb. plus 30 percent) was, of course, necessary to make the arrangement possible. El Salvador's Bureau of Statistics expects to compile import figures to show which portion of the coffee exported from El Salvador is of Honduran origin.



#### JAMAICA EXTENDS ASSISTANCE TO COCOA PLANTERS

The Jamaican Farm Development Scheme, started in 1955, has been extended and will provide special assistance to cocoa planters. Special assistance is considered necessary for cocoa as the crop requires shade, windbreaks, and special culture. Production costs of planting material will be met from the funds of a special Cocoa Expansion Scheme. Subsidies for land clearing and soil conservation are limited to 10 acres per farm.

No subsidy will be given for temporary shade as normally this would pay for itself out of the crop reaped. Subsidies will be given on the basis of plants surviving and showing satisfactory growth based on 300-302 trees to the acre. The full cost of Dieldrin 1.5 spray is to be subsidized, and the spray to be applied once every 2 years.

#### INDONESIA INSTITUTES EXCHANGE REFORM

The Government of Indonesia has revised, effective June 20, 1957, its system of foreign currency exchange rates. The new system seeks to secure a balance between exports and imports and thus put foreign exchange utilization on a pay-as-you-go basis.

The revised system, although complicated, nevertheless represents considerable progress in the direction of simplification. The former 8 export exchange rates have been unified into a single rate; on the import side, 6 new rates replace the former 17 rates. The import rates reflect the reclassification of imports into 6 new import-surge categories.

All trade transactions except those relating to oil companies (special agreements apply to these) and permitted invisibles and capital transfers will move through a "certificate" market at a fluctuating rate of exchange (to which, for imports, the prescribed surcharges will be added). This market will be supported by Indonesia's current exchange earnings, so that the certificate rate is to be determined by the interplay of supply and demand.

The reclassification of imports has not yet been finally completed; consequently, commodity details are not yet available. Since Indonesia's holdings of gold and dollars have declined drastically during the last year and one-half and continue to be critically low, it is not expected that the new exchange system will result in increased opportunities for U. S. exports during the immediate future.



#### FIRST QUARTER 1957 TRADE IN DANISH DAIRY PRODUCTS

During the first quarter of 1957, the total value of Danish exports of dairy products was \$37.5 million, 12 percent less than during the comparable period of 1956. This decline was due entirely to lower prices for butter, exports of which in terms of quantity dropped only 2 percent, but in terms of value by 25 percent. At the same time, the rather low prices for butter brought about an increase in domestic consumption.

Cheese exports (in terms of quantity and value) rose 7 percent. Sales of natural cheese increased to 22 million pounds in first quarter 1957, compared with 19 million pounds in the earlier year. West Germany, by far the largest market for Danish natural cheese, took 16 million pounds this year, against 12 million pounds a year ago.

Exports of canned milk products increased 106 percent to 18 million pounds, primarily as a result of larger sales of condensed whole milk. The principal purchaser was Burma, which took 4 million pounds. A year ago, no sales were made to that country in the opening quarter. Other important markets this year were India, British Malaya, Thailand, and Indonesia, with 2 million pounds each.

Trade in dried milk increased 49 percent. The most important markets were Brazil (4 million pounds), Rumania, and British Malaya (2 million pounds each).

During early 1957, the price of butter fell sharply and reached its seasonal low in the second week of April. As a consequence, the wholesale price of Danish butter was quoted on the London Provision Exchange at \$0.36 per pound, compared to an average price during December 1956, of \$0.52 per pound. Since the middle of May, however, the price of butter has improved slightly. During the week June 3-8, the price of butter reached a level of \$0.41 per pound and has since remained at that level.

#### SPANISH GROUP BUYS DAIRY EQUIPMENT USED IN BARCELONA FAIR

The entire unit of dairy equipment used to recombine milk and ice cream at the Barcelona International Samples Fair has been sold to a group of businessmen in Madrid. The group plans to install the equipment and import United States nonfat dry milk and anhydrous milkfat for recombining operations.

#### WEST GERMANY'S BUTTER AND CHEESE IMPORTS UP

During the first quarter of 1957, West Germany's imports of both butter and cheese were appreciably heavier than in the comparable quarter of 1956. Butter imports at 34.8 million pounds were up 62 percent over the earlier year and included shipments from Denmark (11.6 million pounds), Sweden (7.8 million pounds), the Netherlands (3.9 million pounds), Australia (2.1 million pounds), New Zealand, (1.9 million pounds), and Norway (1.7 million pounds).

Cheese imports in first quarter 1957 amounted to 39.1 million pounds, an increase of 21 percent over first quarter 1956. The principal suppliers were the Netherlands (16.6 million pounds) and Denmark (16.1 million pounds). Switzerland, Sweden, and New Zealand accounted for most of the remainder.

#### PORTUGAL HARVESTING LARGE WHEAT CROP

Portugal's wheat harvest, now forecast at 27.1 million bushels, is considerably larger **than in the past 2 years**, when outturns were the smallest of recent years. At the forecast level the current crop is about a third larger than in 1956 and 45 percent above the 1955 harvest. Sharply increased yields account for the larger crop, with no significant acreage changes.

Somewhat larger yields of coarse grains will also bring production of barley, oats, and rye well above the comparatively low level of the past 2 years. Though the outlook for grain crops is generally favorable, dry conditions in some areas at latest report made the prospects less promising than they were earlier.

#### SPAIN'S WHEAT PROSPECTS GOOD

Prospects are now favorable for the 1957 wheat crop in Spain. Current forecasts place the harvest at about 155 million bushels, the same as in 1956. This is somewhat larger than early-season forecasts, and if the crop is as large as now predicted, import requirements will be somewhat less than had been expected.

The improvement in the wheat outlook followed abundant rainfall over most of the important wheat-producing regions during May and June. Production prospects for spring-sown grains are also reportedly excellent as a result of the improved growing conditions. The grain harvest now under way is several weeks later than usual because of cold weather in April and May.

# SPAIN INCREASES WHEAT SUPPORT PRICES OVER 1956-57 LEVELS

Producer prices of wheat for 1957-58 (June-May) have been fixed by the Spanish Government at an average of 488 pesetas per 100 kilograms. This represents an increase of about 19 percent over the average of 409 pesetas per 100 kilograms fixed for the 1956-57 season. Owing to the devaluation of the peseta by the government last April from 39.65 to 42 pesetas per U. S. dollar, the increase in the equivalent dollars-per-bushel average price from \$2.85 to \$3.16 represents an increase of only about 11 percent. Not only the average price but also the price of each of the 5 official grades of wheat was increased. The prices in 1956-57 were the same as in the preceding season.

WHEAT: Spain, official fixed producer prices, 1954-55 through 1957-58

Grades of wheat	1954-55		1955-56		1956-57		1957-58	
	U.S.		U. S.		U. S.		U. S.	
	Pesetas	dollars	Pesetas	dollars	Pesetas	dollars	Pesetas	dollars
	<u>1/</u>	<u>2/</u>	<u>1/</u>	<u>2/</u>	<u>1/</u>	<u>2/</u>	<u>1/</u>	<u>2/</u>
1. Fine Aragon wheat, similar and/or other special varieties.....	402	2.81	425	2.97	425	2.97	504	3.26
2. Fine hard wheat, or similar varieties...	392	2.74	417	2.91	417	2.91	496	3.21
3. Soft bread wheat and/or similar soft wheat varieties...	392	2.74	417	2.91	417	2.91	496	3.21
4. Red or white and any other semi-coarse or soft types of wheat.....	-	-	407	2.84	407	2.84	486	3.15
5. Coarse wheat, red or white...	377	2.63	377	2.63	377	2.63	456	2.95
Average.....	391	2.73	409	2.85	409	2.85	488	3.16

1/ Per 100 kilograms. 2/ Per bushel.

The foregoing prices are for wheat with not more than 12 percent moisture, except that the stated price for Grade 5 will be paid if the moisture content does not exceed 13 percent. Grades 1, 3, and 4 must weigh at least 59.8 pounds; Grade 2 at least 61.4 pounds and Grade 5 at least 58.3 pounds per bushel to command the prices specified. Deliveries by farmers of wheat which contains 3 percent or less impurities or foreign matter will be deemed "healthy and clean." Deliveries containing from 3 up to 4 percent impurities or foreign matter will be subject to a deduction of 6.5 pesetas per 100 kilograms (4.2 cents per bushel) from the price. Wheat containing from 4 to 5 percent of these materials will be subject to a deduction of 15 pesetas per 100 kilograms (9.7 U. S. cents per bushel).

These are the prices which farmers will receive for wheat marketed from June 1 to October 31, 1957. To compensate for storage and maintenance costs incurred in holding wheat beyond October 31, they will, for wheat they sell during the period November 1, 1957 to April 30, 1958, receive a premium of 2 pesetas per 100 kilograms (1.3 cents per bushel) for each calendar month that the grain is held unsold after November 1. For example, a farmer selling wheat in January 1958 will receive the price prescribed for the quality of his grain plus 6 pesetas per 100 kilograms (3.9 U. S. cents per bushel).

Spanish farmers must sell to the government's National Wheat Service, at the foregoing prices, all the wheat they produce over and above quantities required out of each crop for their own use. The grain must be delivered to National Wheat Service elevators. Each farmer may retain for seed as much of each crop as he will need for seeding the actual acreage which he will have in wheat for the next crop. In addition, each farmer may retain for food purposes not over 250 kilograms (551 pounds) of wheat for himself and each of his permanent laborers, and 150 kilograms (331 pounds) for each member and each household servant of his family and of the family of each of his permanent laborers. For each temporary laborer who works for him at least 300 working days during the year, he may retain 250 kilograms. Presumably he may retain a proportionate quantity for each temporary laborer who works for him less than 300 working days during the year. Farmers are not allowed to use wheat for feed except that during the 1957-58 season any farmer who lacks an adequate supply of feedgrains may, with permission of the Ministry of Agriculture, use Grade 5 or deteriorated wheat for this purpose.

Importing of wheat, in quantities determined by the Department of Commerce, is done in the name of the National Wheat Service by private traders upon the basis of bids they submit. After a successful bidder has imported a quantity of wheat and paid for it, he turns it over to the National Wheat Service at the price specified in his bid. The National Wheat Service will sell all domestic and imported wheat at prices equal to those it paid plus 11 pesetas per 100 kilograms (7.1 cents per bushel). Of the 11 pesetas, 8 (equivalent to 5.2 cents per bushel) are charged for paying the National Wheat Service's expense in handling the grain. The remaining 3 pesetas (1.9 cents per bushel) will be used for defraying the cost of storage and maintenance of the wheat in the National Wheat Service elevators. This agency also controls operations of the flour milling industry. The government's Food Supply and Distribution Agency determines the types of flour used in bread baking.

(Continued on Page 16)



Spanish farmers are not allowed to reduce their present acreages in wheat unless reduced acreages are established by the government. To avoid a decline in wheat production, the Ministry of Agriculture may in any year require minimum production based upon acreage apportionments determined by the Director of Agriculture. Severe penalties are provided for failure of farmers to deliver their wheat to the National Wheat Service or to supply information requested by the government, or for any other violation of the wheat price and marketing laws.

#### GREECE FORECASTS RECORD WHEAT PRODUCTION

Preliminary forecasts place Greece's 1957 wheat crop at about 51.5 million bushels, the same as the record crop in 1953. A harvest this size would be more than double the small 1945-49 average of 24.8 million bushels. Yields during that period averaged only 12.9 bushels per acre contrasted with a forecast yield of about 19 bushels per acre for the current year.

Indicated production would cut import requirements somewhat below the 17.6 million bushels imported last season. Prices paid domestic growers are substantially higher than the delivered price of imported wheat. The government's price support program, together with subsidized bread prices, has resulted in a sizable deficit. Since a larger proportion of the current year's supply will be the higher priced domestic wheat, an even larger deficit faced the government. It was therefore felt that an increase must be made in the price of bread, and bread prices have accordingly been increased by the equivalent of a third of a cent per pound.

#### INDIAN FOODGRAIN PRICES DECLINE

Prices of Indian foodgrains, especially wheat and rice, declined in the first 2 weeks of June in the principal markets of India. The decline is attributed to measures taken recently by the Government of India to arrest rising prices: (1) the adoption of powers to requisition grain from holders of large stocks at the average prices of the last 3 months, and (2) the formation of 3 wheat zones within each of which unrestricted movement of wheat has been allowed but interzonal movements have been banned.

Wholesale prices of wheat, which were ranging from about 14 to 20 rupees per maund (\$2.14-\$3.06 per bushel) in the principal markets of northern India during the last week of May, were quoted between 13.12 to 16.75 rupees per maund (\$2.01-\$2.57 per bushel) on June 17. Similarly, in the case of rice, there was a decline of 1 to 2 rupees per maund (26 to 52 cents per 100 pounds).



URUGUAY TO EXPORT PEANUT MEAL  
AT FAVORABLE EXCHANGE RATE

Uruguay will export the bulk of the meal and expellers produced from its 1956-57 peanut crop, now estimated unofficially at about 7,000 short tons. Practically the entire crop will be crushed and the oil will be used to blend with sunflower and olive oils for cooking purposes.

The National Council of Government on June 21 authorized an exchange rate composed of 40 percent controlled (1.519 pesos per dollar) and 60 percent free commercial (4.1025) exchange for the exportation of peanut meal and expellers, giving an effective rate of 3.0691 pesos per dollar. This rate will be in effect until new regulations are adopted for exports of sunflower by-products, at which time rates set for the latter will automatically apply to peanut by-product exports. The order of June 21 is retroactive to exports made since August 3, 1956, in accordance with Article 3 of the decree of August 7, 1956.

GREECE FREES OLIVE OIL EXPORTS IN TINS:  
SETS 3,300-TON QUOTA IN DRUMS

Exports from Greece of edible olive oil in tins were freed of quota restrictions--within certain limitations--by Foreign Trade Board Decision No. 21978 dated June 7, 1957. The Trade Board also recently authorized the exportation of up to 3,300 short tons of edible olive oil in drums, largely at the insistence of the U. S. Government and trade. The export quota for 5,500 tons of oil in tins, which had originally been set for this marketing year--and under which small exports in drums were later also permitted--has already been exhausted.

Export in tins will be freely licensed to "free exchange" areas, provided payment is made in transferable dollars or pounds sterling, and to countries belonging to the European Payments Union, provided payment is made in their respective currencies. Exports to other countries with which Greece has bilateral trade agreements will be permitted only if the respective clearing account shows a Greek debit balance. Moreover, licenses will be issued only for (a) blended, virgin, or refined oil of less than 1 percent acidity packed in lithographed tin containers of up to 20 kilos; (b) blended oil of not more than 2.5 percent acidity packed in lithographed tin containers of 5 kilos or less.

Licenses for the export of oil in drums under the 3,300 ton quota will be issued biweekly on a first-come-first-served basis, but only to free exchange areas for payment in dollars or sterling and to EFU countries. No provision is made for licensing shipments in drums to any other destination.

The limitations imposed on exports of both categories of olive oil would seem to preclude any further shipments to Soviet Bloc countries from the 1956-57 crop. Hence, while 550 tons had already been exported to the Soviet Union by the end of June (under a January 1957 trade agreement providing for exports of 1,100 tons), shipment of the balance is in doubt.

## ECUADOR ADOPTS NEW LAWS TO IMPROVE TRADE

To encourage exports of corn, cottonseed meal, and cotton (up to 1,000 bales) the Ecuadoran Government recently announced new exchange measures. Under the new regulations, foreign exchange derived from these products can be negotiated on the free market, thus giving the exporter about 17 percent more sucre income than if he had to turn in his foreign exchange at the official rate.

Another recent trade development in Ecuador was the abolition of the tariff surcharge on imports of goods from England and the Netherlands. Since the surcharge on imports from Belgium was abolished earlier in the year, Japan is the only country now subject to Ecuador's special surcharge established in August of 1956 on imports from countries with which Ecuador had an "unfavorable" trade balance.

## U. S. COTTON EXPORTS INCREASE IN MAY

United States exports of cotton (all types) in May 1957 were 692,000 bales (500 pounds gross); up slightly from April exports of 629,000 bales, and nearly twice as large as exports of 361,000 bales in May 1956.

Cotton exports during August-May 1956-57 were 6,923,000 bales, almost 4 times export of 1,933,000 bales in comparable months of 1955-56.

Exports to Japan in the current period were nearly 1.4 million bales, twice those in August-May 1955-56. Exports to West Germany and the United Kingdom have passed the 900,000-bale mark. Total exports to Europe were over 4 million bales -- more than 5 times the exports of 738,000 bales in August-May 1955-56.

Cotton exports during the August-July 1956-57 season are expected to be about 7.5 million running bales (about 7.8 million bales of 500 pounds gross). Sales under the 1956-57 cotton export program totaled 7.7 million running bales as of June 25, 1957. All of this cotton must be exported not later than August 15, 1957. Sales on June 25 for export before August 16 were 10,922 running bales. The average price at which the cotton was sold, basis Middling 1 inch at average locations, was 27.73 cents per pound.

Sales on June 25, 1957, for export from Commodity Credit Corporation (CCC) stocks under the 1957-58 program were 73,157 running bales. Average price, basis Middling 1 inch at average locations, was 27.29 cents per pound. Cumulative sales as of June 25, 1957, were 3,429,611 running bales. This cotton must be exported between August 16, 1957 and July 31, 1958.

COTTON: U. S. exports by country of destination, averages 1935-39 and 1945-49, annual 1954 and 1955, and August-May 1955-56 and 1956-57  
(Bales of 500 pounds gross)

Country of destination	Year beginning August 1		August - May	
	Average			
	1935-39:1945-49	1954	1955	1955-56:1956-57
	----- 1,000 bales -----			
Austria.....	0 : 1/ 36	15	18	15 : 44
Belgium.....	169 : 131	66	30	13 : 308
Denmark.....	33 : 14	21	3	2 : 22
Finland.....	35 : 21	13	16	15 : 29
France.....	662 : 575	416	178	170 : 369
Germany, West.....	511 : 340	350	74	67 : 944
Italy.....	442 : 489	249	105	90 : 623
Netherlands.....	107 : 131	95	17	6 : 244
Norway.....	17 : 7	12	2/	2/ : 19
Portugal.....	36 : 2/	11	5	3 : 86
Spain.....	108 : 69	197	143	131 : 174
Sweden.....	115 : 12	51	10	9 : 98
Switzerland.....	11 : 26	37	14	13 : 116
United Kingdom.....	1,346 : 488	421	153	115 : 918
Yugoslavia.....	17 : 47	103	109	84 : 100
Other Europe.....	3/ 276 : 4/ 159	9	6	5 : 24
Total Europe.....	3,885 : 2,545	2,066	881	738 : 4,118
Canada.....	301 : 275	307	75	65 : 328
Cuba.....	11 : 16	19	11	10 : 28
Israel.....	5/ : 5	20	15	8 : 12
Hong Kong.....	5/ : 35	6	45	33 : 82
India.....	52 : 86	61	9	8 : 289
Indonesia.....	5/ : 5	27	15	14 : 41
Korea, Rep. of.....	5/ : 6/ 48	170	135	90 : 179
Japan.....	1,142 : 585	678	873	721 : 1,370
Philippines, Rep. of.....	2 : 4	8	12	12 : 31
Taiwan (Formosa).....	5/ : 1	120	124	119 : 154
Bolivia.....	4 : 2	5	13	12 : 9
Chile.....	9 : 20	10	14	14 : 64
Colombia.....	20 : 24	2	27	27 : 40
French N. Africa.....	5/ : 4	12	6	5 : 15
Australia.....	9 : 7	52	28	24 : 70
Other countries.....	7/ 154 : 8/ 403	22	37	33 : 93
Total 500-lb. bales....	5,589 : 4,065	3,585	2,320	1,933 : 6,923

1/ 4-year average. 2/ Less than 500 bales. 3/ Includes Poland 180, and Czechoslovakia 65. 4/ Includes Poland 69, Czechoslovakia 57, and Greece 21. 5/ If any, included in other countries, 6/ 3-year average. 7/ Includes China 117 and French Indochina 22. 8/ Includes China 401.

Compiled from official records of the Bureau of the Census.

# MEXICO'S COTTON PRODUCTION UP IN 1957

Cotton production in Mexico in 1957 is forecast as 2.0 million bales (500 pounds gross) from an estimated area of 2,326,000 acres. This production is 12 percent larger than the 1956 output, now estimated at 1,790,000 bales, but 12 percent below the record of 2,250,000 bales in 1955.

The anticipated increase in production will be the result of a larger planted area, principally in the West Coast states of Sonora and Sinaloa, and in the Mexicali and Matamoros regions. Planting in the West Coast and Mexicali areas was not as large as in 1955, but the Matamoros planting represented a new record. Abundant rains around Matamoros in February made possible much of the additional planting, and favorable distribution of rainfall since then may result in record yields.

COTTON: Mexico, acreage and production by regions, 1955-57

Region	State	Acreage			Production		
		1955	1956	1957 1/	1955	1956	1957 1/
		1,000 acres			1,000 bales 2/		
Matamoros .....	Tamaulipas.....	725	672	803	454	422	458
West Coast .....	Sonora-Sinaloa..	749	367	439	640	356	448
Mexicali .....	Baja California..	482	420	452	428	341	408
Laguna .....	Coahuila-Durango	319	298	248	396	355	316
Delicias .....	Chihuahua.....	174	172	194	197	187	204
Juarez and							
Villa Ahumada ...	Chihuahua.....	46	52	48	34	40	42
La Paz .....	Baja California..	26	29	49	28	31	51
Monterrey .....	Nuevo Leon.....	37	15	14	17	12	4
Nuevo Laredo ....	Tamaulipas.....	37	31	37	14	18	20
Don Martin	Nuevo Leon-						
(Anahuac)	Coahuila.....	37	14	12	9	5	7
Other .....		68	26	30	33	23	42
Total .....		2,700	2,096	2,326	2,250	1,790	2,000
1/ Forecast. 2/ Bales of 500 pounds gross.							

Source: Unofficial estimates.

The average grade of the 1957-58 production is expected to be higher than during previous years as a result of the installation of lint cleaners at gins. Although cleaners have been tried at some gins in the past, this is the first year that they are being used in most districts. In addition to removing foreign matter, the cleaners will help in blending spots. However, some merchants are concerned that they will shorten the staple and cause too much increase in the percentage of waste.



Mexico's direct exports of cotton during August-April 1956-57 were 1,103,000 bales, about 38 percent below exports of 1,787,000 bales a year earlier. More than 60 percent of these quantities move through the United States for transshipment to other countries. Direct exports to foreign countries, exclusive of the quantities moving through United States ports were 433,000 bales in the current period, compared with 572,000 bales a year ago. Transshipments during August-April 1956-57 (Foreign Crops and Markets, July 8, 1957) were 818,000 bales, down 30 percent from the transshipments of 1,164,000 bales a year earlier.

The decline in Mexico's exports is attributed principally to the low crop in 1956 and the rising domestic consumption rate. Quantities moving by direct export to major destinations in August-April 1956-57, with comparable 1955-56 figures in parentheses, were: Japan 263,000 bales (278,000); France 48,000 (10,000); West Germany 33,000 (121,000); the United Kingdom 29,000 (40,000); the Netherlands 21,000 (36,000); Belgium 11,000 (25,000); China 9,000 (9,000); Italy 4,000 (6,000); Spain 4,000 (none); and Switzerland 3,000 (3,000).

In addition to these quantities, transshipments of Mexican cotton through United States ports during August-April 1956-57, with comparable 1955-56 figures in parentheses, were: Japan 268,000 bales (208,000); West Germany 119,000 (243,000); the United Kingdom 84,000 (150,000); France 71,000 (20,000); the Netherlands 64,000 (118,000); Belgium 60,000 (95,000); Italy 29,000 (57,000); Sweden 26,000 (52,000); Australia 18,000 (21,000); and Switzerland 15,000 (20,000).

The system of compensatory exchange for cotton exports, whereby import licenses for certain commodities are issued only on the basis of the export of an equal value of cotton, is still in effect. According to a report by the Banco Nacional de Comercio Exterior, the agency in charge of carrying out this program, more than 700 compensatory agreements were signed during 1956. Of the total value of \$71.5 million, 89 percent, or \$63.5 million, represented exports of cotton. Total sales of cotton under the compensatory program therefore represented about 425,000 bales or roughly one-third of all cotton exports during the 1956-57 season. The proportion of exports to be sold under this program in 1957-58 may be larger in view of the fact that sales under the program have started even before the beginning of the season.

Mexico's cotton consumption in 1956-57 is estimated at about 475,000 bales -- 12 percent above the 1955-56 total of 425,000 bales. Cotton stocks on May 1, 1957, were estimated at 431,000 bales, down slightly from the 446,000 bales held a year earlier. Practically all cotton available for export has been sold.



#### VENEZUELA TO ISSUE HATCHING EGG LICENSES SEMIANNUALLY

The Venezuelan Ministry of Development has announced that licenses for the 6-month period beginning July 1, 1957, have been issued for the importation of 15,802,745 hatching eggs. This quantity, added to the 6,500,000 hatching eggs licensed during the first 2 quarters, should provide--even at a very low hatching rate--more baby chicks than poultry raisers have ever had before.

The Ministry indicated that the new licensing period was adopted to enable hatcheries to plan their operations for greater efficiency.

#### SWEDEN IMPORTS MORE U. S. COTTON

Sweden's imports of United States cotton amounted to 73,000 bales (500 pounds gross) during August-March of the 1956-57 season, more than 3 times the imports of 21,000 bales during the same period in 1955-56. Total imports during the current period were 115,000 bales, or 24 percent above the 93,000 bales imported a year earlier. The United States share of Sweden's imports in the current period increased to 63 percent from only 23 percent of the total a year ago.

Quantities imported from major sources during August-March 1956-57, with comparable 1955-56 figures in parentheses, were: United States 73,000 bales (21,000); Mexico 27,000 (35,000); Peru 5,000 (2,000); Brazil 4,000 (11,000); Belgian Congo 3,000 (7,000); Egypt 1,000 (4,000); Paraguay 700 (800); the Sudan 15 (1,000); Pakistan none (5,000); and the U.S.S.R. none (4,000).

Sweden's 1957 trade agreement with the Soviet Union includes an unstated quantity of cotton, the amount to be determined later. The 1956 agreement included 9,000 bales of cotton, of which about 2,800 bales were shipped during the year. Sweden has no other trade agreements involving cotton.

A slight increase in cotton consumption occurred during August-March 1956-57, with utilization of 99,000 bales, compared with 97,000 a year earlier. Consumption of United States cotton increased to 40,000 bales in the current period, considerably higher than the 24,000 bales consumed in the same months a year ago.

Cotton stocks on April 1, 1957, were estimated at 104,000 bales, up slightly from stocks of 100,000 bales a year earlier, and about 18 percent above the 88,000 bales held at the beginning of the 1956-57 season. Stocks of United States cotton on April 1, 1957, were 80,000 bales.

Cotton prices have held fairly steady in recent weeks. Recent quotations from a private source in Gothenburg were as follows:

COTTON: Sweden, approximate prices of comparable growths, net unloading weight without franchise, payment on receipt, c.i.f. Gothenburg, May 11, 1957

Variety and Staple	Offered in	Strict Middling	Middling	Shipping period
		:U.S. cents per lb. 1/:		
Paraguay 1".....	£	: 31.35	: 30.56	: May-June
Orleans/Texas 1-1/32".....	\$	: 31.70	: 30.12	: May-Dec.
Memphis 1-1/32".....	\$	: 31.87	: 30.39	: May-Dec.
Matamoros 1-1/32".....	\$	: 32.66	: 31.44	: Aug-Sept.
Arizona 1-1/16" .....	\$	: 33.80	: 32.57	: May-July
California 1-1/16" .....	\$	: 34.06	: 32.84	: May-July
Sinaloa/Sonora 1-1/16".....	\$	: 34.06	: 33.10	: Sept-Oct-Nov.
Mexicali 1-1/16" .....	\$	: 34.24	: -	: Oct-Nov-Dec.
Pakistan MT SG 1" .....	£	: 34.85	: 32.49	: May-June
Pakistan 289F SG 1-1/32"...	£	: -	: 33.28	: May-June
Peru-Tanguis 1-3/16" .....	£	: 41.86	: 41.51	: May-July
Egypt-Ashmouni 1-7/32" ....	£	: 52.63	: 51.75	: May

1/ Converted at value of \$0.19035 per krona.

Preliminary estimates of Sweden's 1956 textile output indicate little change from 1955. Output of yarn of all kinds declined principally because of sharply curtailed production of hemp yarn. Production of textile products in the last 3 years is shown in the following table:

Sweden's output of textile products 1954-56

Item	Made of cotton			All kinds 1/		
	1954	1955	1956 2/	1954	1955	1956 2/
	Metric tons					
Yarns.....	25,437	25,724	25,840	68,520	68,357	65,335
Fabrics.....	24,305	24,381	23,950	38,966	39,211	38,840
Knittings.....	3,497	3,059	3,014	7,341	6,689	6,690

1/ Made of cotton, rayon, wool, jute, flax, hemp, sisal, paper (harvest yarn) etc.

2/ Includes estimates for fourth quarter.

## IRAN'S COTTON PRODUCTION SLIGHTLY HIGHER

Iran's cotton production for 1956-57 is estimated at 285,000 bales (500 pounds gross), slightly higher than earlier estimates, and about 4 percent above production of 275,000 bales in each of the 2 preceding years.

Prospects for the 1957-58 crop are generally favorable. Moisture conditions are good throughout most of the country, following an above-normal winter snow pack. At present prices, cotton is still the most profitable crop on lands well adapted to its growth. Acreage may slightly exceed last year's area of 625,000 acres.

Cotton exports during August-March 1956-57 were estimated at 150,000 bales, compared with 143,000 during the same period last year. France has been the main buyer in the current season, but quantities exported by country of destination are not yet available. Major destinations in 1955-56 were France, Italy, the United Kingdom, and West Germany.

As a result of the general increase in population and greater national income, there is some increase in local consumption of cotton. Lack of foreign demand for the shorter stapled cotton is also tending to increase domestic use of this product. Consumption during 1955-56 was 82,000 bales. August-March 1956-57 utilization is estimated at 60,000 bales, an annual rate of 90,000 bales.

Cotton stocks on April 1, 1957, on the basis of the foregoing figures would amount to 107,000 bales. They were 95,000 a year earlier, and 32,000 on August 1, 1956.

Annual consumption of cotton cloth in Iran is reported at 180,000,000 meters of which about one-third is produced locally. Throughout the country there are over 30 textile mills with approximately 230,000 spindles and 2,500 power looms. These mills produce about 11,000 metric tons of yarn annually, mainly used by handloom weavers. Approximately 40,000 handlooms are in operation.

Prices for the better grades of Iranian cotton have averaged above those of a year ago, but buyers have been more selective and prices of the two shorter staple varieties have declined. Several barter agreements in which cotton is an important export item have recently been renewed. Present policy is to renew any barter agreements that are considered beneficial to Iran.

The government is developing a program to improve the grading and packaging of cotton entering the export market. Export of hand-pressed bales has been prohibited from areas where machine pressing is available. Definite grading standards have not yet been accepted but some additional educational work is being done in this respect. Sample grade-standard packages were exhibited at the Agricultural Fair in Tehran in the fall of 1956.

The government is continuing its variety tests in connection with the Food and Agricultural Organization program and some definite progress has been made. This program is designed to study cotton varieties grown in Iran and to improve the yield and spinning quality of cotton by selection and introduction of new varieties.

BRAZIL'S OILSEED PRODUCTION  
EXPECTED TO BE UP IN 1957

Brazil's oilseed production in 1957 is expected to increase from 1956 following a sharp decline in 1956 from the previous year. The decline in output of edible oilseeds in the last 2 years was due largely to smaller cotton crops. While cotton production is expected to decline further in 1957, the drop in cottonseed output probably will be offset by increases in soybeans and peanuts.

Table 1.--VEGETABLE OILSEEDS: Brazil, production,  
1955-57

Oilseed	1955 <u>1/</u> <u>2/</u>	1956 <u>2/</u> <u>3/</u>	1957 <u>3/</u>
	- - -	<u>Short tons</u>	- - -
Edible:			
Cottonseed.....	895,980	760,590	695,000
Soybeans <u>4/</u> .....	117,820	<u>5/</u> 130,910	143,000
Peanuts (unshelled).....	204,870	155,315	247,000
Sunflower seed.....	<u>6/</u> 1,100	1,100	1,100
Sesame seed.....	<u>6/</u> 880	880	880
Coconuts (1,000 fruit).....	300	<u>5/</u> 310	320
Dende fruit.....	<u>6/</u> 5,500	<u>6,000</u>	6,000
Ouricuri nuts.....	2,100	1,650	1,650
Tucum kernels.....	2,625	2,200	2,200
Murumuru.....	2,645	2,000	2,000
Industrial:			
Castor beans.....	180,770	187,400	238,000
Babassu kernels.....	85,855	71,650	82,700
Flaxseed <u>7/</u> .....	<u>6/</u> 27,560	29,760	33,000
Oiticica seed.....	26,560	39,680	30,000
Tung fruit.....	6,310	<u>5/</u> <u>5/</u> 6,690	6,000

1/ Ministry of Agriculture unless otherwise specified. 2/ Revised. 3/ Unofficial estimates unless otherwise specified. 4/ Equivalent in 1,000 bushels: 1955 - 3,927; 1956 - 4,364; 1957 - 4,777. 5/ Ministry of Agriculture, preliminary estimate. 6/ Unofficial estimate. 7/ Equivalent in 1,000 bushels: 1955--984; 1956--1,063; 1957--1,180.

(Continued on page 26)



Table 2.--VEGETABLE OILS: Brazil, production,  
1954-56

Vegetable oil	1954 1/	1955 1/	1956 2/
	- - - - - Short tons - - - - -		
Edible:			
Cottonseed.....	94,590	99,335	82,670
Soybean.....	2,850	1,915	2,755
Peanut.....	45,625	63,545	44,000
Sesame.....	1,885	1,490	1,490
Corn 3/.....	2,435	2,395	2,645
Coconut.....	410	875	880
Dende.....	2,130	2,700	2,600
Ouricuri.....	490	995	1,000
Tucum.....	1,635	220	440
Murumuru.....	325	200	200
Ocuuba fat.....	1,425	760	770
Industrial:			
Castor.....	46,420	46,200	49,600
Babassu.....	38,450	45,445	44,000
Linseed.....	10,815	7,680	9,900
Oiticica.....	6,415	12,600	13,000
Tung.....	1,500	640	880
Palm.....	930	1,000	1,000
Macauba 4/.....	500	610	550
Total 5/.....	258,830	288,605	258,380

1/ Ministry of Agriculture. 2/ Unofficial estimates. 3/ Includes both germ and kernel oil. 4/ Includes both pulp and kernel oil. 5/ Total is merely for the purpose of comparison. There are a number of oils of minor importance not included above.

The Brazilian cotton crop was reduced sharply in 1956, and still further in 1957 by adverse weather. Also, discouragement over cotton prices caused farmers to plant less. Much of the decline in cottonseed production in the South is said to be due to a large percentage of "empty seeds," running as high as 40 percent in some areas and probably averaging about 20 percent in Sao Paulo.

The 1957 peanut crop is expected to be about 60 percent larger than the 1956 outturn, due to ample rain and the diversion of some cotton acreage to peanuts in response to higher prices.

Soybean production in 1957 is expected to increase about 10 percent from last year. Soybeans have been an important export crop in Brazil in recent years, with Japan the principal market. Japan, however, virtually dropped out of the picture as a buyer last year, and total exports declined nearly 20 percent. Currently the Brazilian Government is concerned over vegetable oil supplies, and the Federal Price and Supply Commission (COFAP) has temporarily



prohibited further soybean exports until it can be proved that oil supplies are adequate. It is doubtful, however, that Brazil has adequate crushing plants for handling the entire crop. A crushing plant in Porto Alegre with an annual capacity of 45,000 tons (1.6 million bushels) was recently brought into operation. Some beans probably will be exported this year, but it is probable that the quantity will be greatly reduced even from last year's reduced volume. Soybean exports have been made for nearly a year at the Category III exchange rate of Cr \$55 per dollar for convertible currencies and Cr \$52.77 for non-convertible. Besides, soybeans exported to Japan came under the special "Tosta Plan," whereby the foreign exchange obtained was converted at a non-fixed rate somewhat higher.

A Soybean Expansion Service recently was added to the Sao Paulo Secretariat of Agriculture for the purpose of increasing soybean production.

Castor bean production appears to be increasing again in response to high prices. After reaching a peak of 250,000 tons in 1948, production declined to a low of 174,200 tons in 1952, with 1956 output estimated unofficially at about 187,000 tons. Production in 1957 is expected to be about 27 percent greater than in 1956. The trade is estimating a total crop of 238,000 tons. Exports of castor beans declined in 1956 about 60 percent from the previous year. Foreign sales of castor oil declined about 20 percent, due to increased domestic consumption and weakening foreign markets. For export purposes, castor beans and castor oil remain in export Categories III and IV, respectively.

Babassu production in 1957 is expected to be possibly 15 percent larger than in 1956 as barrages have been made on the rivers to catch the nuts. No babassu kernels were exported in 1956 and no exports are envisioned for 1957. Total production of babassu oil currently is being used domestically. The situation in the babassu industry reportedly is still crucial. The industry is, in the main, antiquated, inefficient, and dependent to a large extent on hand labor. For this reason much labor is attracted away from babassu by more remunerative opportunities. The President of the Republic recently appointed a Babassu Study Group to conduct a survey in the States of Maranhao and Piaui and make recommendations for assistance to the industry.

Brazilian coconut production continues its annual increase but, in comparison oil production is small.

Production of oiticia seed in 1957 is expected to be considerably smaller than in 1956, when one of the largest crops on record was produced. A cycle of low production that usually follows a good crop, as well as drought conditions, accounts for the expected decline.

Flaxseed production is limited to the southern states. It is therefore difficult to determine how much is produced domestically and how much enters as contraband from Uruguay and Argentina. With a good crop in prospect, production may be larger than the 1,060,000 bushels now estimated to have been produced in 1956.

Brazil's trade in the major fats, oils, and oilseeds is shown in Table 3, which follows (p. 28).

Table 3.--FATS, OILS, .OILSEEDS: Brazil, trade in major commodities, 1955 and 1956

Exports			Imports		
Commodity	1955	1956 <u>1/</u>	Commodity	1955	1956 <u>1/</u>
	Short tons			Short tons	
Soybeans <u>2/</u> .....	56,647	45,727	Hempseed.....	51	157
Peanuts (shelled)....	19,804	764	Palm oil.....	742	1,080
(unshelled)...	228	222	Olive oil.....	10,181	3,724
Sesame seed.....	298	225	Pork lard.....	1,511	5,205
Castor beans.....	67,692	26,844	Butter.....	159	112
Castor oil.....	27,355	22,147	Codfish oil.....	600	191
Babassu kernels.....	8,521	18			
Oiticica oil.....	9,913	10,269			
Tung oil.....	427	255			
Carnauba wax.....	13,741	13,231			

1/ Preliminary. 2/ Equivalent in 1,000 bushels: 1955 - 1,888; 1956 - 1,524.

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Brazil remains more or less self sufficient in fats and oils, although there are significant exports of castor beans and oil, soybeans, oiticica oil and other minor oils, and some imports of palm oil, olive oil, lard, and possibly this year, some cooking oils. Although exports exceed imports in quantity, exports of all oilseeds and vegetable oils (except oiticica oil) declined in 1956, while total imports remained at about the same level.

Approximately 15,000 metric tons of lard and about 4,500 tons of edible vegetable oils were included for sale to Brazil under the last Public Law 480 Agreement signed on December 31, 1956. There is some doubt yet as to whether Brazil will take all of this quantity. There has been considerable producer objection, even though an oil shortage has been verified.

# WEST GERMANY TEMPORARILY LIBERALIZES OILCAKE AND MEAL IMPORTS FROM DOLLAR AREAS

West Germany on June 27 temporarily liberalized oilcake and meal imports from the dollar areas provided that: (1) protein and fat content are stated; (2) the import is an acceptable trade product, and (3) oilcake and meal are not reexported except for freely convertible currency.

Import licenses can be issued for a 12-month period, but actually will be granted only until a predetermined, but unpublished, value level is reached. The cut-off date is to be announced in the Federal Bulletin (Bundesanzeiger). The German Feed Law and its implementing ordinances apply to such imports.

West German imports of oilcake and meal continued to rise during the first 3 months of 1957. Imports in January-March 1957 were almost 50 percent larger than in the first quarter of the previous year. Imports in the last quarter of 1956 were also high, almost 20 percent greater than in the last 3 months of 1955. Although Europe had a rather mild winter and there has been a short-term decline in demand for imported feeds, the sharp upward trend in West Germany's demand for mixed feeds and protein supplements apparently has more than offset it.

## OILCAKE AND MEAL: West German exports and imports, January-March 1955-57, and October-December 1955 and 1956

Oilcake and meal	1955		1956		1957
	Jan.-March	Oct.-Dec.	Jan.-March	Oct.-Dec.	Jan.-March
				<u>1/</u>	<u>1/</u>
	Short	Short	Short	Short	Short
	<u>tons</u>	<u>tons</u>	<u>tons</u>	<u>tons</u>	<u>tons</u>
Exports.....	79,587	66,261	92,034	82,696	91,600
Imports.....	106,478	135,322	112,807	163,927	163,800

1/ Preliminary

The United States, which supplied substantial quantities of linseed meal to West Germany during the last 2 years, can expect more competition from Argentina in 1957. Argentina had a larger flaxseed crop in 1956-57 and is expected to have much greater export supply of linseed residues this year. Argentine linseed residues usually have a higher oil content than those from the United States; West Germany's policy has been to import oilcake and meals with high oil content for further oil extraction. Though slackening demand due to the mild winter was responsible for a decline in prices of oilcake and meal during February and March, prices are now almost back to their January level.

## INDONESIAN AGRICULTURAL TRADE WITH COMMUNIST COUNTRIES DECREASES

Exports of agricultural commodities from Indonesia to Communist countries decreased from \$31.5 million (official rate) in 1955 to \$23.5 million in 1956, a drop of 34 percent. Indonesian exports of agricultural commodities to Eastern European countries have been reduced to a token volume with the exception of Poland, which received 17,000 metric tons of rubber in 1956. However, Indonesian agricultural exports to Communist China in 1956 were almost double the 1955 level and amounted to half the country's shipments to Communist countries. Much of this increase was in sugar, copra, and rubber.

Indonesian imports of agricultural commodities from Communist countries showed an increase of 12 percent in value in 1956. Nearly all of these imports, however, were received from Communist China. China has increased its market of these commodities in Indonesia by 36 percent over the 1955 level. Much of this increase was in vegetables and in dry whole milk. Indonesian agricultural imports from Communist countries other than China were negligible.

Although Indonesia has signed trade agreements with most of the Communist countries, the agreements have had little effect on trade except in the case of China.

## CANADIAN GRAIN CONDITION PROMISING

The grain outlook continues favorable in Canada's Prairie Provinces, the important grain-producing area. Seeding was earlier than it was last year, and grain crops are progressing satisfactorily in most districts. Frequent rains have supplied sufficient surface moisture for satisfactory growth to date, but subsoil moisture is deficient in the Prairies as a whole. Timely rains will, therefore, be necessary during July and early August to assure normal yields. Preliminary information indicates a smaller wheat acreage but larger coarse grain acreage than last year.

Moisture conditions and grain prospects in general continue to be above average in Manitoba. Conditions in Saskatchewan and Alberta are more variable, with crops progressing slowly over wide areas lacking subsoil moisture. Least favorable conditions are reported for West Central and Northwestern Saskatchewan and adjacent districts of East Central and Northeastern Alberta. Cool weather has retarded deterioration, but general rains were urgently needed in those districts at latest report.

Recent rains have improved the grain outlook in Ontario and Quebec, where rapid development is attributed to high temperatures and sufficient moisture. Haying and the making of grass silage are under way in this area with normal yields reported.



# YUGOSLAV 1956 DRIED PRUNE EXPORTS DOWN SHARPLY

Severe freeze damage during 1956 cut 1956 Yugoslav dried prune production to a record low of 1,500 short tons, less than 10 percent of the 1950-54 average of 17,600 short tons (see Foreign Crops and Markets, July 1).

Recent export statistics place 1956 Yugoslav dried prune exports at 12,573 short tons, approximately 39 percent of the 32,407 tons exported the preceding year. Only 661 tons of dried prunes were shipped after June 30, 1956, indicating that at least 95 percent of the exports made during the 1956 calendar year were from the 1955 crop.

West Germany, the Soviet Union, and France were Yugoslavia's best customers for dried prunes during 1956, with shipments to West Germany accounting for 40 percent of all dried prune exports.

## PRUNES, DRIED: Yugoslavia, exports by country of destination 1955 and 1956

Country of destination	1955	1956
	Short tons	Short tons
Czechoslovakia.....	3,578	914
Denmark.....	1,354	304
France.....	2,333	2,179
Israel.....	392	375
Italy.....	3,736	297
Poland.....	378	219
Soviet Union.....	11,400	2,738
West Germany.....	5,597	5,011
Other countries.....	3,639	536
Total exports.....	32,407	12,573

## 1957 ITALIAN ALMOND PRODUCTION FORECAST (CORRECTION)

In the item "Italian Nut Crops Forecast for 1957," Foreign Crops and Markets, July 1, the 1950-54 production average and 1957 forecast of 39,300 and 44,000 short tons for almonds, respectively, were for shelled almonds. Tonnages shown for walnuts and filberts were properly identified as in-shell nuts.

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request (single copies) from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C. Room 5922. Telephone: REpublic 7-4142, Ext. 2445.

Europe's East-West Trade in Food. FAS-M 17.

Foreign Agriculture magazine, July issue.

World Rice Crop Sets New Record. Foreign Agriculture Circular FR 7-57.

1956 Egg Production and Chicken Numbers in Specified Countries. Foreign Agriculture Circular FPE 5-57.

World Copra and Coconut Oil Exports in 1956 at Record High. Foreign Agriculture Circular FFO 8-57.

Status of Cotton Purchase Authorizations Under Title I, Public law 480. Foreign Agriculture Circular FC 15-27.

1956 World Production of Butter and Cheese. Foreign Agriculture Circular FD 5-57.

U. S. Trade in Livestock, Meat and Meat Products. Foreign Agriculture Circular FLM 9-57.

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1957 European Fruit Crop Prospects as of June 15, 1957. Foreign Agriculture Circular FDAP 6-57.

Recent Developments in French Apple and Pear Producing Areas. Foreign Agriculture Circular FDAP 7-57.

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